



PEFACO INTERNATIONAL PLC

COMPANY ANNOUNCEMENT

Date of Announcement:	23 rd November 2015
Reference:	16/2015

The following is a company announcement issued by Pefaco International plc (the "**Company**") pursuant to the Malta Financial Services Authority Listing Rules.

Quote

Completion of Share Transfer and Share Issuance

Reference is made to company announcement 10/2015 wherein the Company informed the market of the entry into by the Company of: (i) a Share Transfer and Shareholders Agreement ("**STSHA**") dated 30 September 2015 between GrupoPefaco S.L. ("**GPSL**") and GCP Investments Holdings ("**GCP**") pursuant to which GCP agreed to purchase, for itself and for each of a group of several new investors (collectively with GCP the "**New Investors**") 6,101,015 listed Ordinary Shares (the "**Transfer**"); and (ii) two subscription agreements between the Company and GPSL (the "**GPSL Subscription Agreement**") and the Company and GCP (the "**GCP Subscription Agreement**" and together with the GPSL Subscription Agreement the "**Subscription Agreements**"), acting for itself and the New Investors, both dated 30 September 2015 pursuant to which GPSL, GCP and the New Investors agreed to subscribe to 2,013,335 newly issued Ordinary Shares (the "**Issuance**"). On 6 November 2015 and 29 October 2015 respectively, the rights and obligations of GCP under the STSHA were novated in favour of Genesis PFC ("**Genesis**") and the rights and obligations of GCP under the GCP Subscription Agreement were assigned and novated in favour of Genesis.

The completion of the Transfer and the Issuance were subject to the satisfaction of certain conditions precedent as set out in the STSHA and the Subscription Agreements. This included the approval of certain amendments to the Memorandum and Articles of Association of the Company to, inter alia, re-classify the listed Ordinary Shares as "Ordinary A Shares" and to create a new Ordinary B Share (not to be listed) which would have specific class rights that are intended to provide protection to all minority shareholders and act as a check and balance on the Company's management and on GPSL as its majority and controlling shareholder.

As referred to in company announcement 13/2015, in the extraordinary general meeting the shareholders approved, inter alia, the amendments to the memorandum and articles of association, approved the issuance of the new Ordinary A Shares and the Ordinary B Share to GPSL and to the New Investors; the shareholders also waived all and any pre-emption rights that they may have in relation to the Issuance.

Following the necessary approvals indicated above, the Transfer contemplated by the STSHA was completed on 23rd November 2015 whereby 2,013,335 Ordinary A Shares were transferred from GPSL to the New Investors. Subsequently the Issuance was also completed on the same date whereby the new Ordinary A Shares were issued to GPSL and to the New Investors (in the proportions as set out in company announcement 13/2015) and the Ordinary B Share issued to Genesis. The Ordinary A Shares were also admitted to listing on the Official List of the Malta Stock Exchange on this same date (the Ordinary B Share has not been listed on any regulated market).

Announcement and Notification Required pursuant to Listing Rules 5.16.8 and 5.193

Pursuant to Listing Rules 5.176, any shareholder who acquires or disposes shares to which voting rights are attached shall notify the issuer and the Listing Authority of the proportion of voting rights of the issuer held by such shareholder as a result of the acquisition or disposal where that proportion reaches, exceeds or falls below the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 50%, 75% and 90%.

On this basis, and following the Transfer and the Issuance, Genesis has acquired 10.1% of the Ordinary A Shares in the issued share capital in the Company, which corresponds to 10.1% of the voting rights in the Company. No one other than Genesis is entitled to exercise the voting rights in respect of the Ordinary A Shares in the Company held by Genesis.

Similarly, following the Transfer and the Issuance, GPSL's holding is equal to 66.56% of the Ordinary A Shares in the issued share capital in the Company, which corresponds to 66.56% of the voting rights in the Company. GPSL is wholly owned by Strategic Investment Opportunities BV, with Oliver Cauro and Francis Jerome Perez each beneficially owning 20% and 25% of Strategic Investment Opportunities BV, respectively. Mr. Cauro and Mr. Perez each also directly hold 10 Ordinary A Shares in the Company. Each direct holder of the Ordinary A Shares is entitled (and no one else is entitled) to exercise his/its own voting rights in respect to the Ordinary A Shares it/he holds.

Furthermore, following the Transfer and the Issuance, Mr. Warren Friedland has acquired 5.68% of the Ordinary A Shares in the issued share capital in the Company, which corresponds to 5.68% of the voting rights in the Company. Mr. Friedland is the only person entitled to exercise the voting rights in respect of the Ordinary A Shares in the Company.

Total Number of Voting Rights and Capital pursuant to Listing Rule 5.16.9

As at the date of this announcement the total number of voting rights and capital following the Transfer and the Issuance is 22,350,054 Ordinary A Shares with each Ordinary A Share holding one vote, with the total amount of voting rights being equal to 22,350,054.

Amendments to Memorandum and Articles of Association

Reference is made to company announcement 13/2015 wherein it was stated that the extraordinary general meeting had approved the amendments to the Company's Memorandum and Articles of Association. The key amendments to the M&A are the following:

- An increase in authorised share capital of the Company by €1 to allow for creation of the Ordinary B Share Class and issuance of the Ordinary B Share;
- The reclassification of the existing class of Ordinary Shares of the Company as the Ordinary A Share class and the creation to the Ordinary B Share class with certain specific class rights (as described in further detail below);
- The creation of a distinction between Class A Directors (those appointed by the holders of the Ordinary A Shares) and Class B Directors (those appointed by the holder of the Ordinary B Share);



- An increase in the maximum number of board members from 7 to 11;
- The removal of the option to put resolutions to a vote of the general meeting by a show of hands, meaning that voting on all resolutions at general meetings will be required to be undertaken by poll;
- The inclusion of clear powers of the Chief Executive Office in relation to the recruitment and appointment of executive management; and
- The addition of an 'enforcement of proceedings' provision that authorises any director to force the Company to institute legal proceedings or take action (in the name and at the cost of the Company) against another director or against a shareholder of the Company should the board decide not to institute proceedings or take action following a request by the director; and

Specifically in relation to the Ordinary B Share class:

- The creation of a right of first refusal in relation to the Ordinary B Share, which provides that (subject to certain conditions) prior to a transfer of the Ordinary B Share to any third party (other than a member of the same group as the holder of the Ordinary B Share), the holder of the Ordinary B Share must first offer the Ordinary B Share to the majority (or largest) shareholder in the Company under the same terms;
- The granting of board representation to the holder of the Ordinary B Share based on overall shareholding in the Company: (i) 2 director seats for so long as the holder of the Ordinary B Share also holds at least 5% of the issued ordinary share capital (of whatever class) of the Company and (ii) 1 director seat for so long as that the holder of the Ordinary B Share holds at least 3% but less than 5% of the issued ordinary share capital (of whatever class) of the Company;
- The creation of an extensive list of reserved matters for matters to be decided by the board (the ("**Board Reserved Matters**") and matters to be decided by the shareholders (the "**Shareholder Reserved Matters**") only with the prior consent of the Class B Director and the holder of the Ordinary B Share, respectively, provided that these reserved matter requirements will be valid only for so long as the holder of the Ordinary B Share also holds at least 4% of the issued ordinary share capital (of whatever class) of the Company;
- The amendment of quorum requirements for general meetings and board meetings, so that Shareholder Reserved Matters or Board Reserved Matters cannot be considered or voted upon at a general meeting or board meeting, respectively, unless the holder of the Ordinary B Share or a Class B Director is present at the general meeting or board meeting, respectively;
- The amendment of ordinary and extraordinary resolution requirements so that any ordinary or extraordinary resolution that relates to a Shareholder Reserved Matter also requires the support of the holder of the Ordinary B Share; and
- The granting of a right to the holder of the Ordinary B Share to nominate one member of the Company's senior executive management.

Specific class rights have been granted to the Ordinary B Share and the Class B Director (particularly the consent requirement imposed in respect of the Shareholder Reserved Matters and the Board Reserved Matters) are intended to provide protection to all minority shareholders as a check and balance on the Company's management and GPSL as its majority and controlling shareholder. This is the main benefit to shareholders of the amendments to the M&A.

The amendments to the M&A, as explained above, were approved by the Listing Authority on 23rd October 2015 and were registered by the Registry of Companies on 10th November 2015. Please refer to the list of Board Reserved Matters and Shareholder Reserved Matters as found within the relevant schedule to the M&A. A copy of the approved M&A may be viewed on the Company's website:

<http://www.pefacointernational.com/investor-relations-public/>



Appointment of New Directors

The Company hereby announces that the following persons were appointed as Directors of the Company with effect from 23rd November 2015:

- David Harry Shimkins, holder of South African passport number M00018907 and residing at 121 Dunvegan Street, Sydenham, 2192, Johannesburg, South Africa; and
- Gregory Stephen Kinross, holder of South African passport number M00028629 and residing at Unit 6, 12 Romar Road, Morningside, 2182, Johannesburg, South Africa.

The function of each of the foregoing will be limited to that of a non-executive director with no additional specific functions or responsibility. Gregory Kinross has been a director of Indluplace Limited (listed on the Johannesburg Stock Exchange) since February 2015 and of Talon Metals Inc. (Toronto Stock Exchange) since March 2005. Both David Shimkins and Gregory Kinross (i) hold ownership interests in Genesis and (ii) are executives of Genesis Capital Partners (Pty) Ltd (the holding company of GCP Investment Holdings, which is in turn the majority shareholder of Genesis).

There are no matters concerning Mr. Shimkins and Mr. Kinross that require disclosure under Listing Rules 5.20.5 to 5.20.9.

Unquote



Rachael Bonello
Company Secretary
23rd November 2015

